

Problems in Supply and Demand

Directions: For each hypothetical situation, write what will happen to supply (S), demand (D), and/or price (P). Then write whether the hypothetical is a change in supply or demand and what factor(s) caused the change in supply or demand. You may want to refer to the Factors that Cause a Change in Supply and Demand notes.

1. A freeze in Florida damaged this year's orange crop. What happens to S/P of orange juice?

Change in Supply or Demand:

Factor(s) that caused the change:

2. Many people are buying I Pods. What happens to D/P of CDs?

Change in Supply or Demand:

Factor(s) that caused the change:

3. Chicken is in high demand and chicken producers double their price. What happens to D/S/P of hamburger?

Change in Supply or Demand:

Factor(s) that caused the change:

4. Schools and businesses are buying computers instead of typewriters. What happens to D/P of typewriter repair shops?

Change in Supply or Demand:

Factor(s) that caused the change:

5. Consumers are willing to pay more for an electric car. What will happen to S/D/P of electric cars?

Change in Supply or Demand:

Factor(s) that caused the change:

6. Since eggs are high in cholesterol, producers cut prices to sell more. What happens to S/D/P for bacon?

Change in Supply or Demand:

Factor(s) that caused the change:

7. It's an early spring and the demand for swimsuits soars. What will happen to the S/P.

Change in Supply or Demand:

Factor(s) that caused the change:

Problems in Supply and Demand (*continued*)

8. What happens to the D/P of wrapping paper the week after Christmas?

Change in Supply or Demand:

Factor(s) that caused the change:

9. A popular new toy comes out before Christmas. What happens to D/S/P for the toy?

Change in Supply or Demand:

Factor(s) that caused the change:

10. Bell bottoms become popular again. What happens to D/S/P?

Change in Supply or Demand:

Factor(s) that caused the change:

12. An insect pest destroys 30% of this year's cotton crop. What happens to S/D/P of cotton shirts?

Change in Supply or Demand:

Factor(s) that caused the change:

What happens to demand for polyester shirts?

Change in Supply or Demand:

Factor(s) that caused the change:

13. Looking back at your answers, does supply or demand seem to have a greater impact on shifts in supply and demand? Why do you think this is the case?
-